



CFI

THE CENTER FOR FOOD INTEGRITY

Science, Values and Trust

Building Public Support for Today's Aquaculture

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**Freedom to
Operate**

Social License

Social License



Definition: The privilege of operating with minimal formalized restrictions (legislation, regulation, or market requirements) based on maintaining public trust by doing what's right.

Public Trust: A belief that activities are consistent with social expectations and the values of the community and other stakeholders.

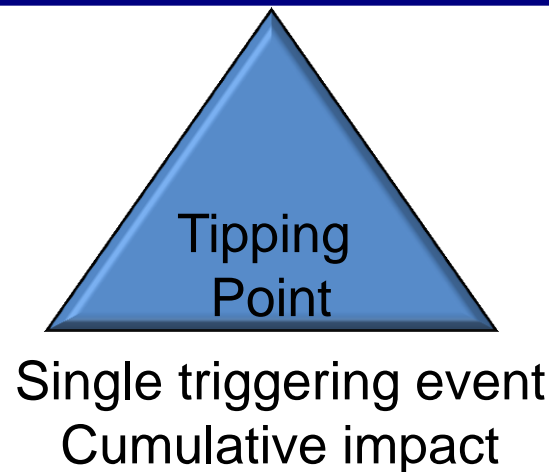
The Social License To Operate



**Flexible
Responsive
Lower Cost**

Social License

- Ethics
- Values
- Expectations
- Self regulation



**Rigid
Bureaucratic
Higher Cost**

Social Control

- Regulation
- Legislation
- Litigation
- Compliance

Fish Farms

PACIFIC
FREE PRESS

Tide Turning Against Salmon Farms in Lead-Up to Election?
by Damien Gillis - The Canadian.org



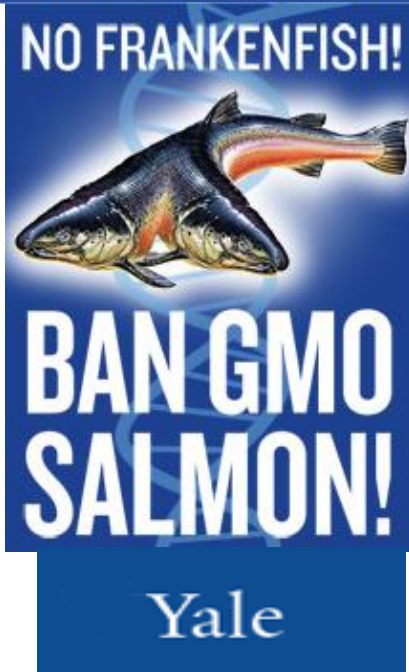
Westerly News
Biologist joins filmmaker to
cast dark shadow over fish
farms

Andrew Bailey, Westerly News
Published: Tuesday, April 16, 2013

GM Salmon



GM Salmon



GENETICALLY MODIFIED SALMON

The Fishy Risk the FDA Is Taking with Your Health

Grocers Reject Genetically Modified Salmon

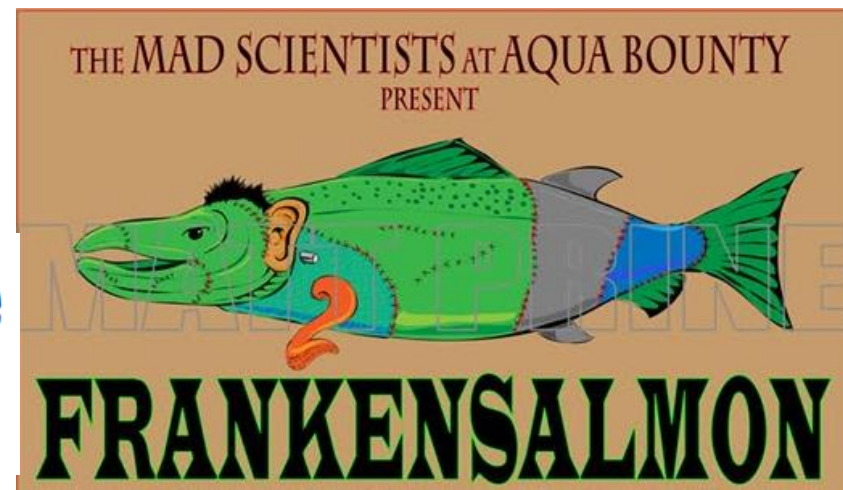
Whole Foods, Trader Joe's ban GMO salmon



18 APR 2013: OPINION

As Final U.S. Decision Nears,
A Lively Debate on GM Salmon

Frankenfisch: Genetically engineered salmon close
to FDA approval

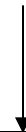


Earning and Maintaining the Social License

(Sapp/CMA)



Social License

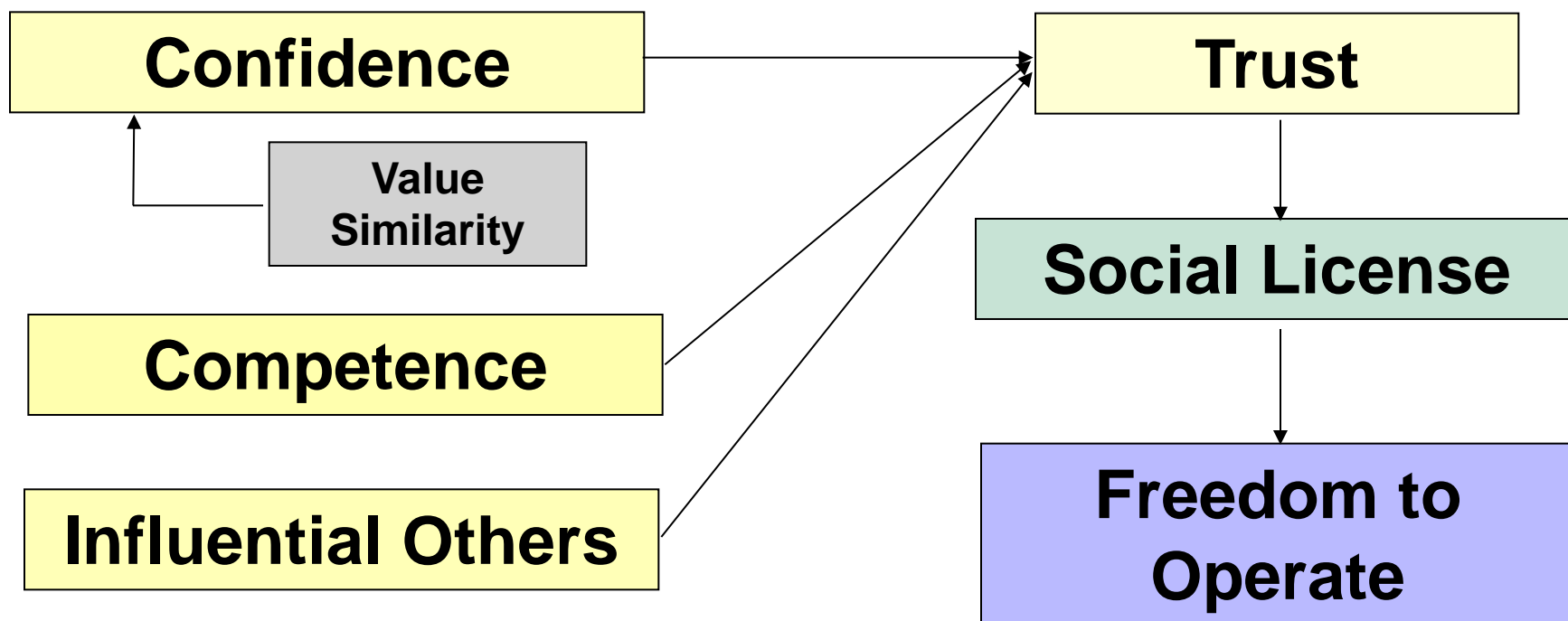


**Freedom to
Operate**

Trust

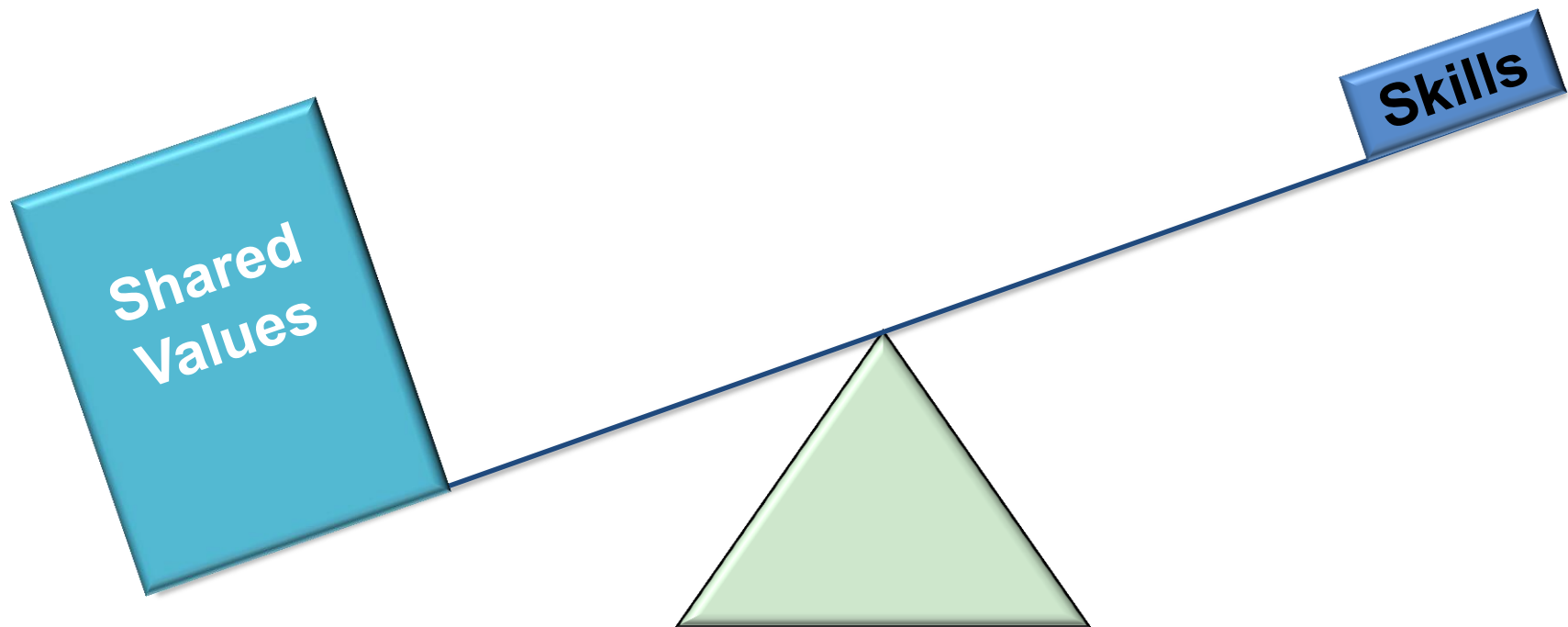
Earning and Maintaining the Social License

(Sapp/CMA)



Trust research was published in December, 2009 – *Journal of Rural Sociology*

What Drives Consumer Trust?



Shared values are 3-5X more important in building trust than demonstrating competence

Trust research was published in December, 2009 – *Journal of Rural Sociology*



What Does It Mean?

*“They don’t care how much
you know until they know
how much you care.”*

- Theodore Roosevelt



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Values and Ethics in Our Science Based Culture

Why we struggle building trust even though we care and are committed to doing the right thing

Questions of Values and Ethics

Kohlberg's Moral Hierarchy



Lawrence Kohlberg, 1927-1987

Three Levels – Six Stages

1. Pre- Conventional

- Direct impact on me

2. Conventional

- Societal expectations

3. Post-Conventional

- Principle driven

Questions of Values and Ethics

Kohlberg's Moral Hierarchy



Post Conventional
Principle driven

**Universal ethical
principle orientation**

**Social contract
orientation**

**We have an ethical obligation to
produce safe food responsibly,
and to respect our employees, the
environment, our customers and
our communities**

Conventional
Societal
expectations

**The “law & order”
orientation**

**The “good boy / nice girl”
orientation**

**We comply with all food safety,
environmental and employment
laws and regulations**

Pre-Conventional
Direct impact on me

**Personal rewards
orientation**

Punishment-Obedience

**We take care of the water, land
and animals because that
generates the best ROI**

Questions of Values and Ethics

Kohlberg's Moral Hierarchy



Post Conventional
Principle driven

**Universal ethical
principle orientation**

NGOs

**Social contract
orientation**

Conventional
Societal
expectations

**The “law & order”
orientation**

**The “good boy / nice girl”
orientation**

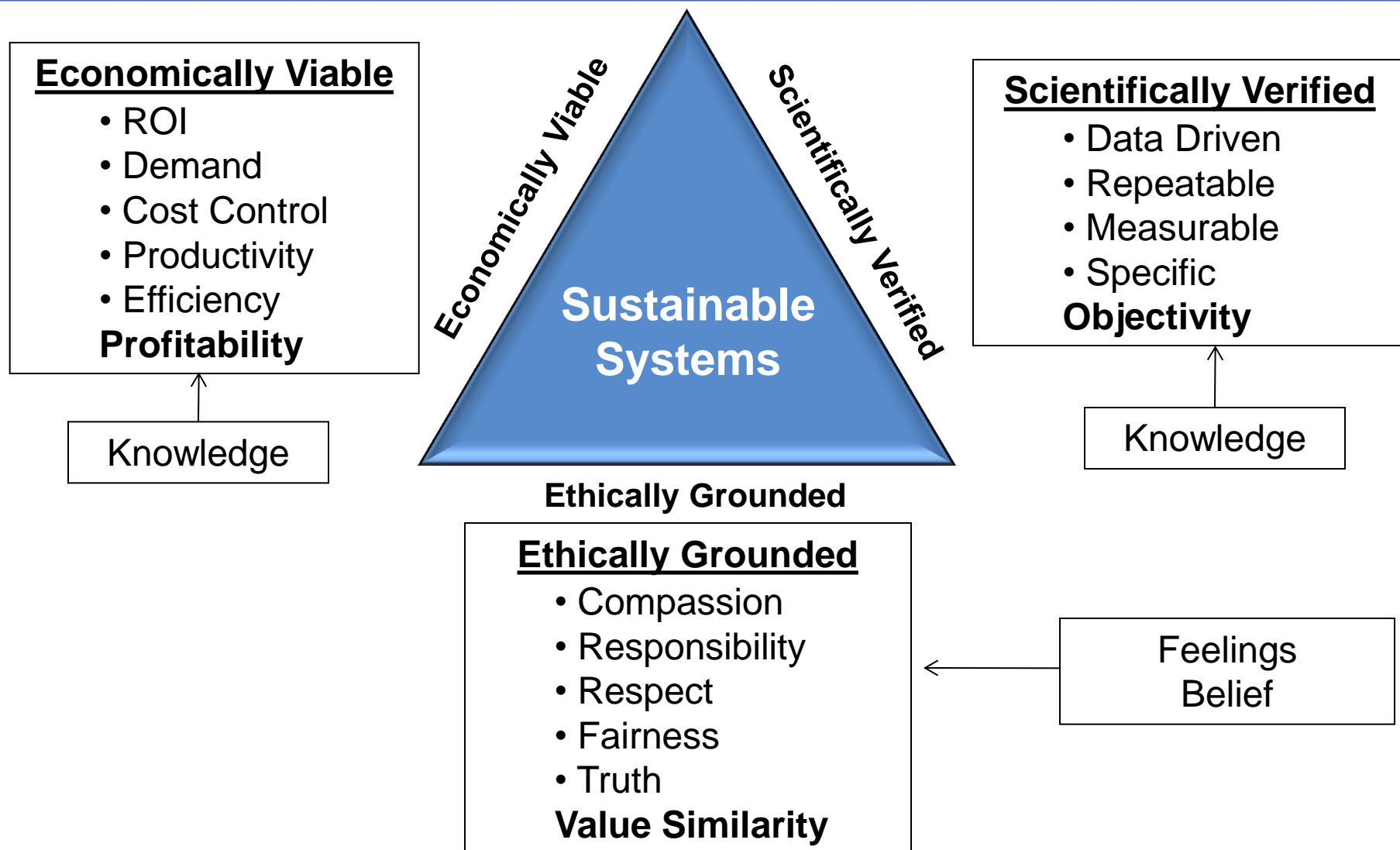
Pre-Conventional
Direct impact on me

**Personal rewards
orientation**

Business

Punishment-Obedience

Sustainable Balance





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Brands as Agents of Social Change

NGOs have discovered that they can accomplish their objectives more quickly through the market than through legislation or regulation

Regulation vs. Market Pressure



***“We can dance with you
or dance on you”***

***“Discovering brands was like
discovering gunpowder”***

GREENPEACE

***“We attack the weakest
link in the company’s
value chain.”***

Kert Davies,
Director of Research, Greenpeace



Global Brands



Wal-Mart has 1.8 million associates in 6,500 stores in 15 countries serving 176 million customers each week.

McDonald's has 30,000 local restaurants serving 50 million people each day in 119 countries.



GM Campaign



Petition to Walmart:

As a consumer, I refuse to purchase Monsanto's new genetically engineered sweet corn and urge you to protect your customers by committing to not sell Monsanto's GE sweet corn by April 1, 2012.



Top Five US Retailers Now Sell More Than Half of All Food and the Top Ten Companies Sell More Than 75%



| Ranking | Company | Number Corporate/ Franchise Stores | Sales in \$ Billions |
|---------|------------------------------|---------------------------------------|-------------------------|
| 1 | Wal-Mart | 2,981 | 232.9 |
| 2 | Kroger Company | 4,276 | 66.6 |
| 3 | Costco Wholesale Corporation | 458 | 59.0 |
| 4 | Safeway | 767 | 40.5 |
| 5 | Supervalue | 567 | 37.0 |
| 6 | Ahold US | 827 | 24.0 |
| 7 | Publix Super Markets | 885 | 21.7 |
| 8 | C&S Wholesale Grocers | 0 | 19.4 |
| 9 | Delhaize America | 1,544 | 17.3 |
| 10 | 7-Eleven | 6,013 | 15.0 |

Mainstream Appeal



“We're not telling people to become vegetarians – we're urging them to exhibit greater decency.”

-Wayne Pacelle, Nov. 2008, Sacramento Bee



Driving a Wedge





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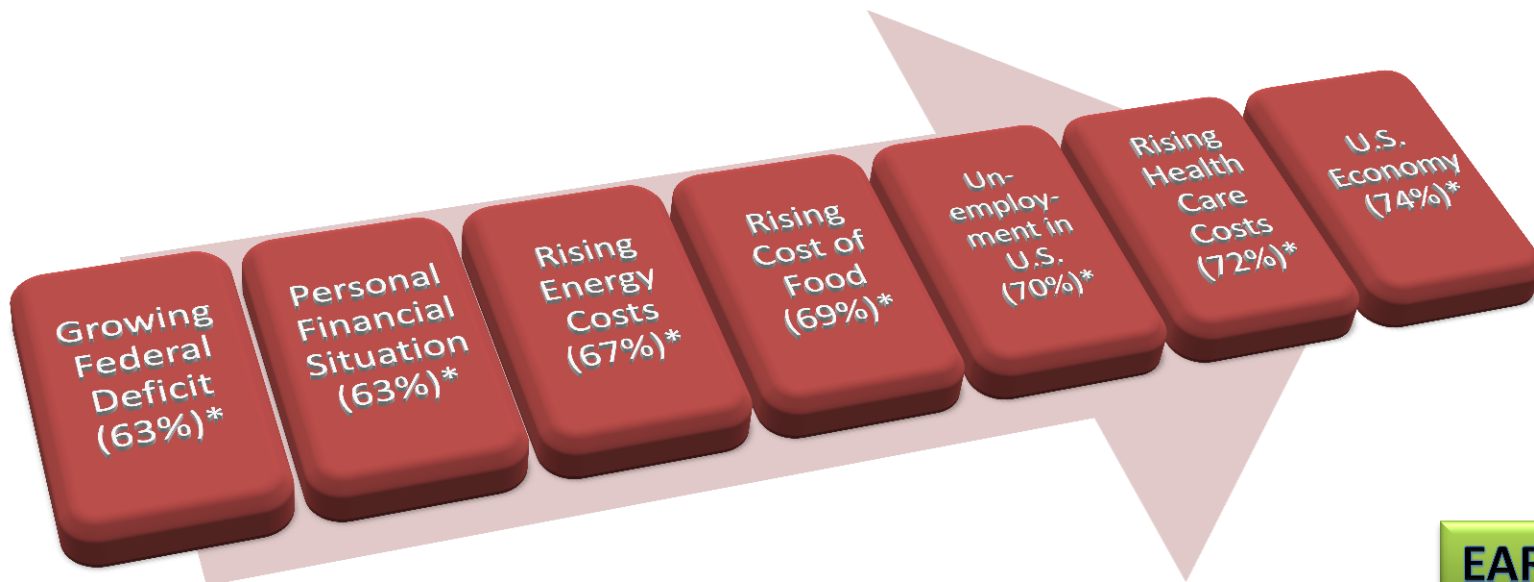
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2012 Consumer Research

Consumer Concerns About Life and Current Events



6 out of 7 Most Concerning Life Issues are Beyond the Consumer's Direct Control



Women were more concerned about most issues than men

Food System Concerns*

Lowest concern was for having enough food to feed people in developing countries (29%)

- Imported Food Safety (59%)
- Food Safety (58%)
- Enough to Feed U.S. (53%)
- Crop Chemical Residue (50%)
- Humane Treatment of Farm Animals (44%)

EARLY ADOPTERS


Earlier adopters were more concerned about most issues than later adopters

*Top Box ratings (8-10)

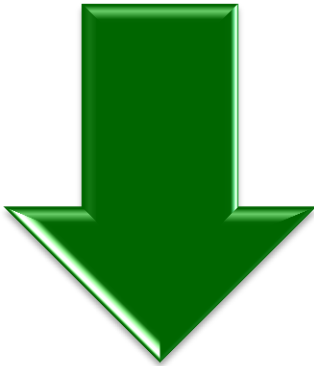
Levels of Concern About the Food System are Growing Faster than Other Concerns



Change in Top Concerns 2011-2012



U.S. Economy **(+2%)**
Rising Health Care Costs **(+2%)**
Rising Cost of Food (+2%)
Rising Energy Costs **(+1%)**



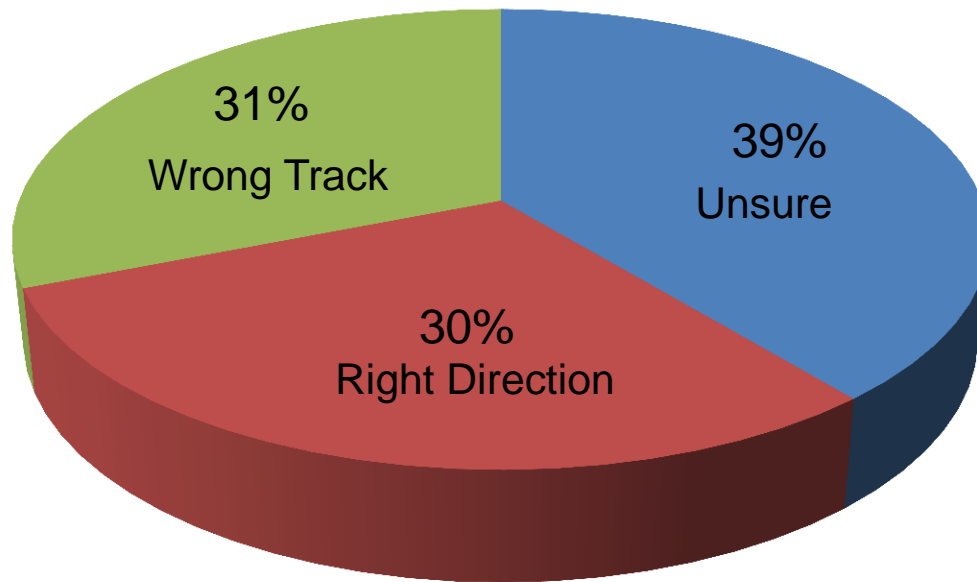
U.S. Unemployment **(-1)**
Personal Financial Situation **(-1)**

Change in Food System Concerns 2011-2012



Safety of Imported Food **(+4%)**
Food Safety **(+5%)**
Enough to Feed U.S. **(+2%)**
Humane Treatment of Farm Animals **(+2%)**
Environmental Sustainability Farming **(+5%)**

Food System Right Direction/Wrong Track



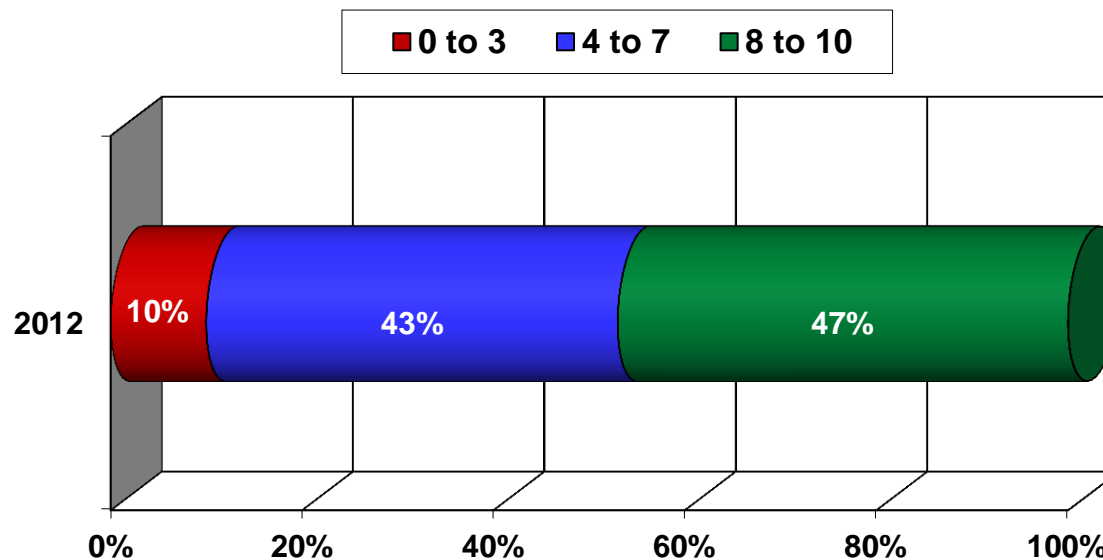
N=2001



EARLY ADOPTERS

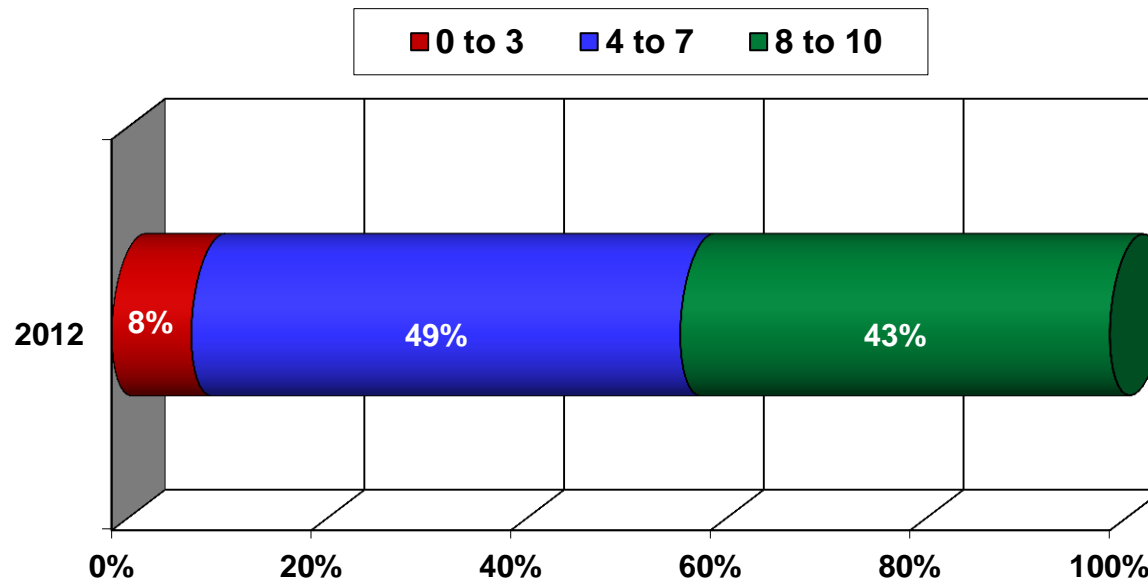
Roughly 40% believe
the food system is on
the wrong track

“Corporate America Tends to Ignore the Needs of the Average Citizen.”



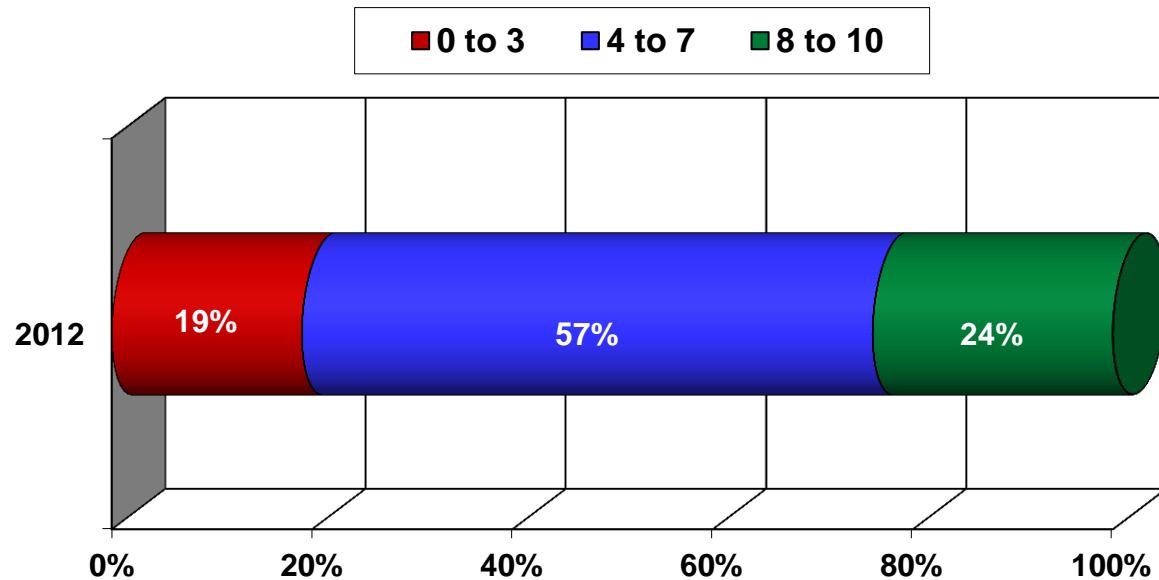
2012 Mean 6.92

“Commercial Farms are Likely to Put Their Interests Ahead of My Interests.”



2012 Mean 6.86

“Family Farms are Likely to Put Their Interests Ahead of My Interests.”



2012 Mean 5.60



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Transparency No Longer Optional

Someone is watching everything you
do all the time



Social Media Explosion

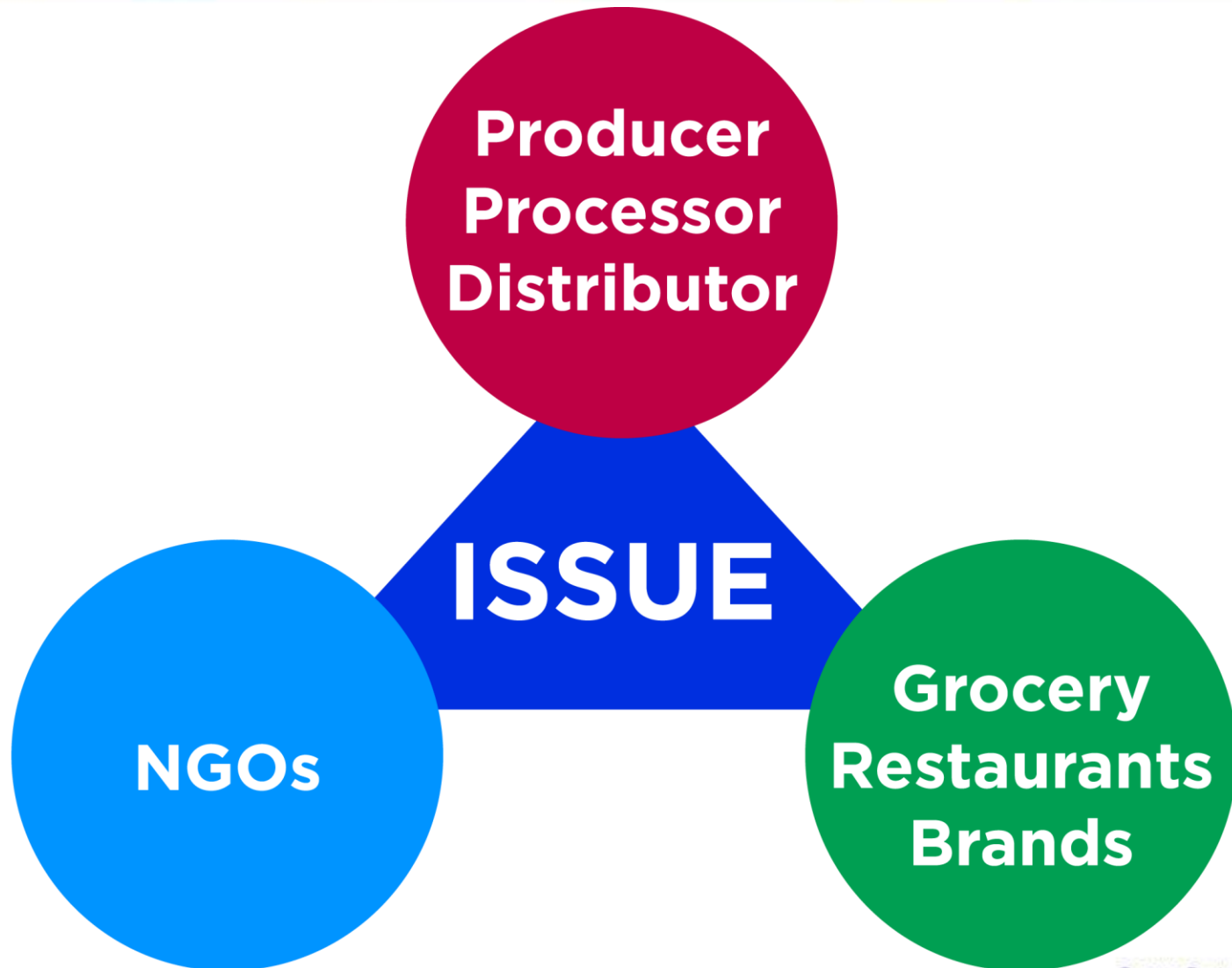
- Today, roughly two billion people are connected to the internet
- 2015 – 80 percent of the global population will have a personal mobile device that can be both a receiver and transmitter
- We send 2.9 million emails every second
- Upload 20 hours of video to YouTube every minute
- Send 50 million Tweets a day
- Spend 700 billion minutes on Facebook every month
- If Facebook were a country, its 845 million users would make it the third largest on the planet behind China and India
- Social media now accounts for nearly 25% of time spent online



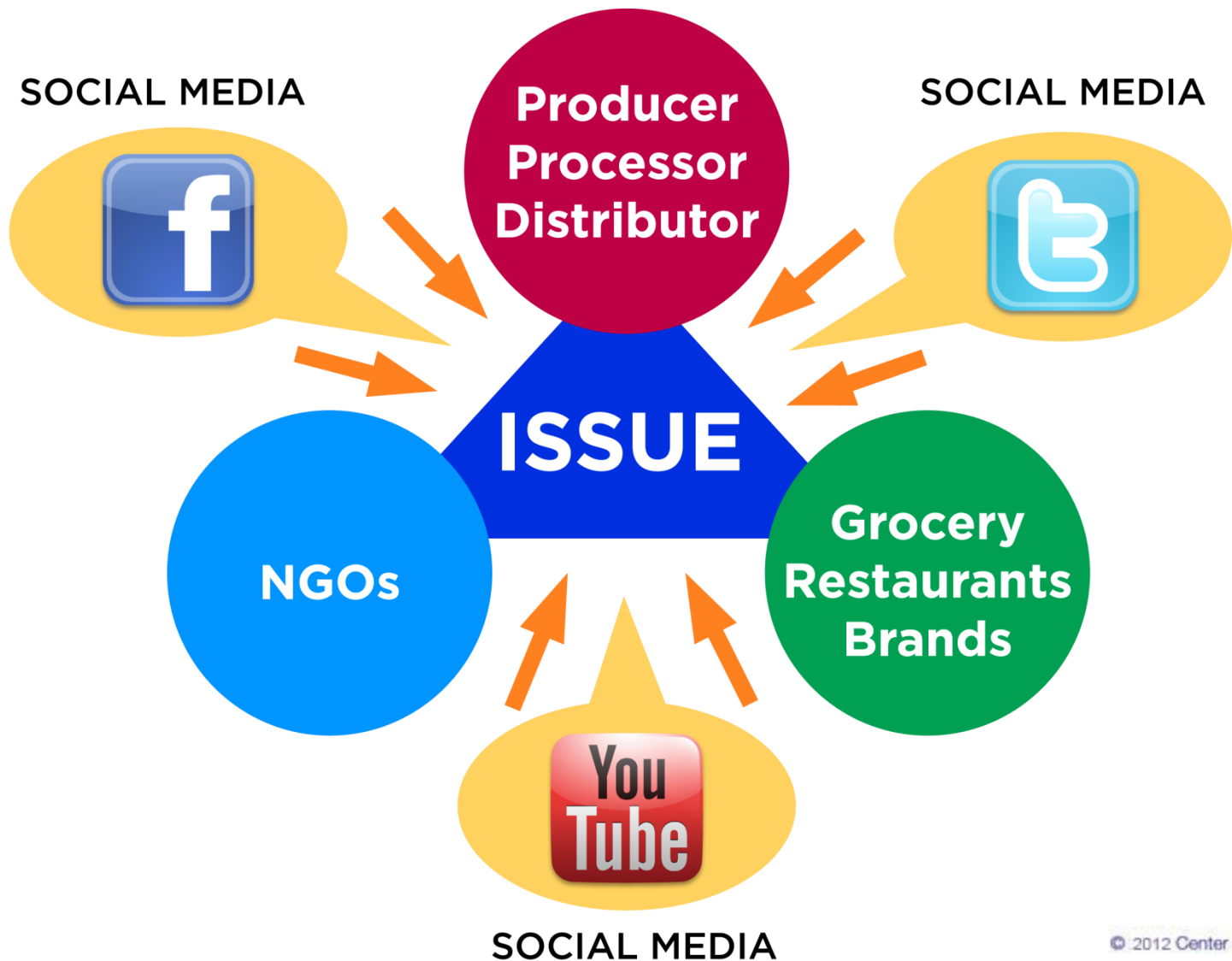
An Age of Radical Transparency

- Employees, consumers, customers, bloggers, social media food communities, NGOs and others can all directly influence the public conversation about aquaculture at the speed of Twitter.
- The question is no longer, “will you be transparent?” but “*how will you manage your farm and your reputation in an age of radical transparency?*”

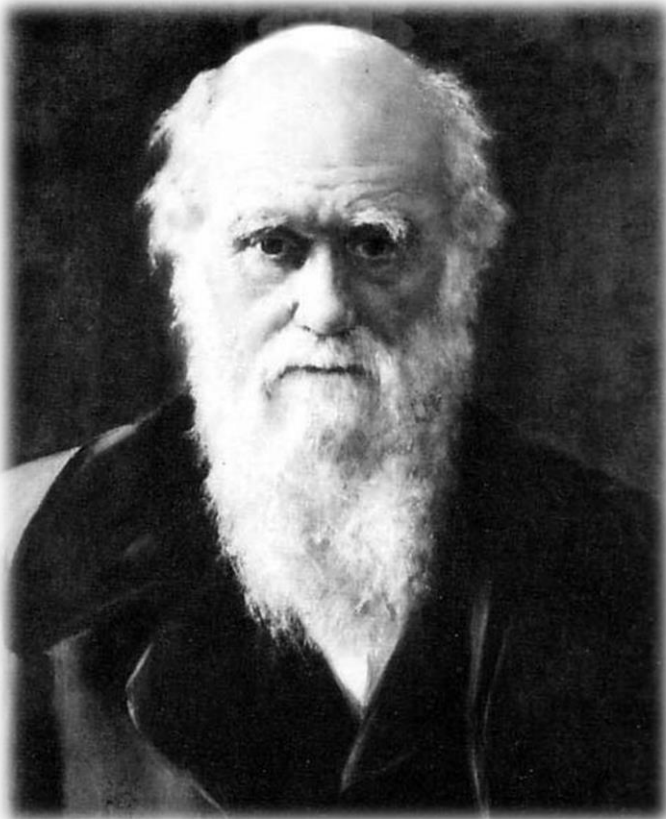
Today's Integrated System



Today's Integrated System



Times Have Changed



“It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change.”

- Charles Darwin

Integrated Trust Model



**Internal
Principle Driven**

**Ethical
Standards/
Conduct**

**Shared
Values/Goals**

***Building Confidence
Value Similarity***

Integrated Trust Model

Internal Principle Driven

**Ethical
Standards/
Conduct**

**Shared
Values/Goals**

*Building Confidence
Value Similarity*

External Manifestation

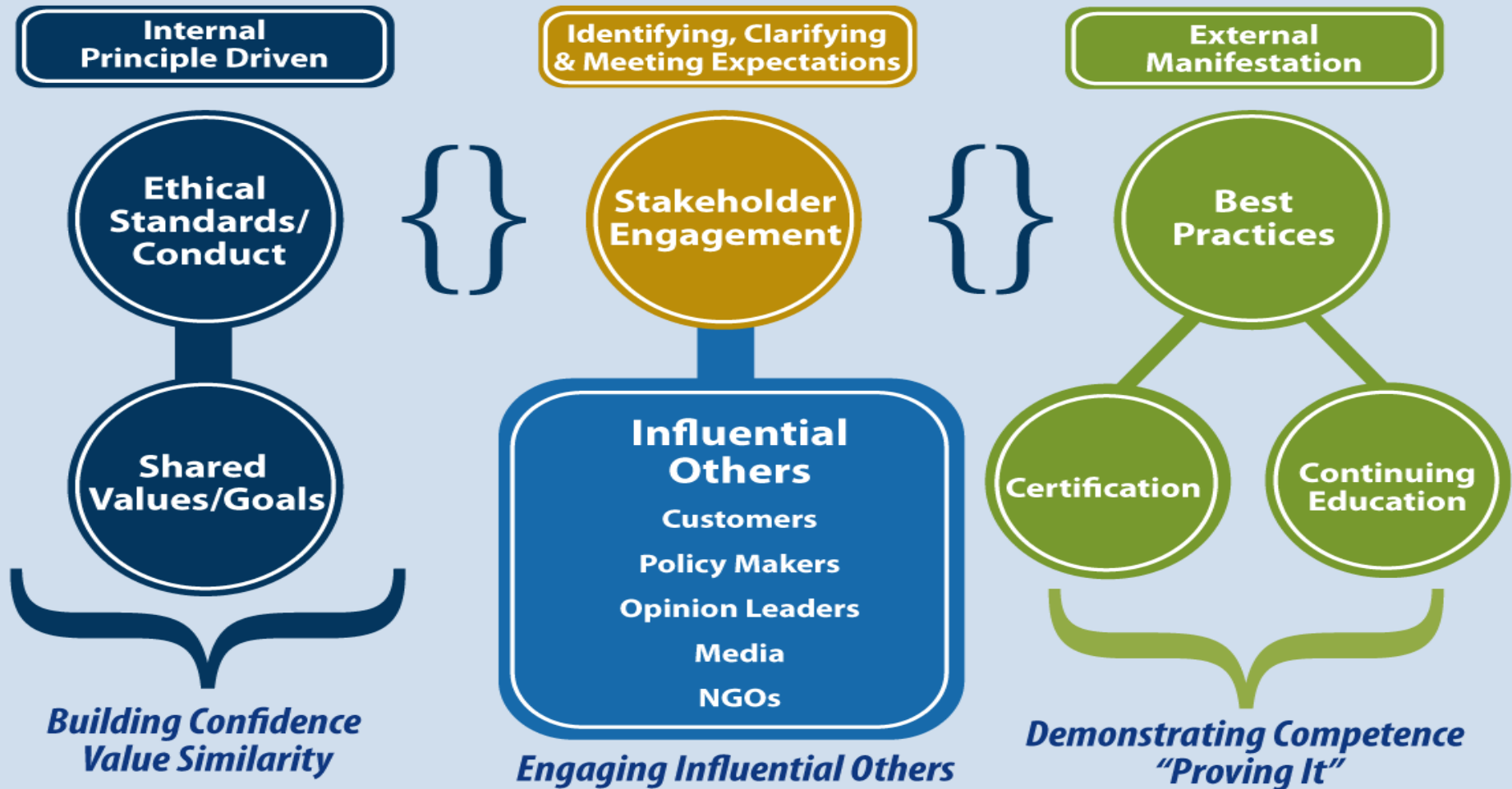
**Best
Practices**

Certification

**Continuing
Education**

*Demonstrating Competence
"Proving It"*

Integrated Trust Model





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